

AMENDED IN ASSEMBLY APRIL 22, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1571**

---

**Introduced by Assembly Member Eggman**  
**(Coauthor: Assembly Member Skinner)**  
(Coauthor: Senator Block)

January 30, 2014

---

An act to amend Sections 1569.15, ~~1569.355~~, and 1569.618 of, *and to add Sections 1569.356 and 1569.501 to*, the Health and Safety Code, relating to health facilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 1571, as amended, Eggman. Residential care facilities for the elderly: licensing and regulation.

Existing law, the California Residential Care Facilities for the Elderly Act, provides for the licensure of residential care facilities for the elderly by the State Department of Social Services. Existing law requires any person seeking a license for a residential care facility for the elderly to file an application with the department, as specified. *Among other required application information, if the applicant is a firm, association, organization, partnership, business trust, corporation, or company, evidence of reputable and responsible character is required to be submitted as to the members or shareholders thereof, and the person in charge of the residential care facility for the elderly for which the application for issuance of license or special permit is made.*

This bill would, among other things, *delete the above requirement to submit evidence of reputable and responsible character as to members or shareholders of a firm, association, organization, partnership, business trust, corporation, or company and the person in charge of*

*the facility, and instead would require the applicant to disclose whether the licensee is a for-profit or not-for-profit provider, the names and license numbers of other facilities owned, managed, or operated by the same licensee, and the names and addresses of any persons or organizations listed as owner of record in the real estate, including the buildings and grounds appurtenant to the buildings. The bill would require an applicant to provide additional information, including, but not limited to, the applicant's history of ~~substantial~~ compliance with the requirements imposed under specified facility licenses or a similarly licensed facility, applicable state and federal laws and regulations, and requirements governing the operators of those facilities, and the applicant's prior history of operating a specified facility in another state facilities. The bill would also require that ~~all~~ specified applicant information be cross checked with the State Department of Public Health to determine if the applicant has a prior history of operating, holding a position in, or having ownership in, specified licensed facilities.*

Existing law requires the Director of Social Services to establish an automated license information system on licensees and former licensees of licensed residential care facilities for the elderly. The system is required to maintain a record of any information that may be pertinent for licensure. A violation of the provisions of the act is a crime.

~~This bill would require the department, among other things, to develop and establish a consumer information service system to provide updated and accurate information to the general public and consumers regarding residential care facilities for the elderly, as specified. by July 1 2015, to post on its Internet Web site residential care facility for the elderly profiles, with specified data. The bill would require by July 1, 2019, each licensee of a residential care facility for the elderly to submit a profile of resident characteristics to the department on an annual basis, including, but not limited to, the number of residents in the facility who are bedridden, nonambulatory, receiving hospice care, have one or more allowable health conditions, have one or more restricted or prohibitive health conditions, or who have dementia. The bill would also require the department to develop and implement a ratings system by July 1, 2019, as provided. Because the bill would create a new crime, it would impose a state-mandated local program.~~

*Existing law authorizes the department to deny any application for a residential care facility for the elderly license or to suspend or revoke those licenses on certain grounds, including, but not limited to, a violation by the licensee of applicable provisions or of the rules and*

*regulations adopted under those provisions, conduct that is inimical to the health, morals, welfare, or safety of either an individual in or receiving services from the facility or the people of the state, or engaging in acts of financial malfeasance concerning the operation of a facility.*

*This bill would require the department to deny an application for licensure or authorize it to subsequently revoke a license on the grounds that the applicant knowingly made a false statement of fact with regard to information that was required by the application for licensure, and would authorize the department to deny an application for licensure or subsequently revoke a license on the grounds that the applicant did not disclose enforcement actions on the application as required. The bill would also authorize the department to deny an application for licensure on the grounds that the applicant has a history of noncompliance with the requirements imposed under specified facility licenses or a similarly licensed facility in another state, applicable state and federal laws and regulations, and the requirements governing the operators of those facilities.*

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 1569.15 of the Health and Safety Code  
2     is amended to read:  
3     1569.15. (a) Any person seeking a license for a residential  
4     care facility for the elderly under this chapter shall file with the  
5     department, pursuant to regulations, an application on forms  
6     furnished by the department, that shall include, but not be limited  
7     to, all of the following:  
8     (1) Evidence satisfactory to the department of the ability of the  
9     applicant to comply with this chapter and of rules and regulations  
10    adopted under this chapter by the department.  
11    (2) Evidence satisfactory to the department that the applicant  
12    is of reputable and responsible character. The evidence shall  
13    include, but not be limited to, a criminal record clearance pursuant

1 to Section 1569.17, employment history, and character references.  
2 ~~If the applicant is a firm, association, organization, partnership,~~  
3 ~~business trust, corporation, or company, like evidence shall be~~  
4 ~~submitted as to the members or shareholders thereof, and the person~~  
5 ~~in charge of the residential care facility for the elderly for which~~  
6 ~~the application for issuance of license or special permit is made.~~  
7 *The applicant shall disclose whether the licensee is a for-profit or*  
8 *not-for-profit provider, the names and license numbers of other*  
9 *facilities owned, managed, or operated by the same licensee, and*  
10 *the names and addresses of any persons or organizations listed*  
11 *as owner of record in the real estate, including the buildings and*  
12 *grounds appurtenant to the buildings.*

13 (3) Evidence satisfactory to the department that the applicant  
14 has sufficient financial resources to maintain the standards of  
15 service required by regulations adopted pursuant to this chapter.

16 (4) Disclosure of the applicant's prior or present service *in*  
17 *California or any other state* as an administrator, general partner,  
18 corporate officer or director of, or as a person who has held or  
19 holds a beneficial ownership of 10 percent or more in, any  
20 residential care facility for the ~~elderly or elderly~~, in any facility  
21 licensed pursuant to Chapter 1 (commencing with Section 1200),  
22 Chapter 2 (commencing with Section 1250), or Chapter 3  
23 (commencing with Section 1500), *or a similarly licensed facility*,  
24 and the applicant's history of ~~substantial~~ compliance with the  
25 requirements imposed under that license, applicable state and  
26 federal laws and regulations, and requirements governing the  
27 operators of those facilities.

28 ~~(5) Prior history of operating any entity specified in paragraph~~  
29 ~~(4) in any other state, and the applicant's history of substantial~~  
30 ~~compliance with that state's requirements, and applicable federal~~  
31 ~~laws, regulations, and requirements.~~

32 ~~(6)~~  
33 (5) Disclosure of any revocation or other disciplinary action  
34 taken, or in the process of being taken, against a license held or  
35 previously held by the entities specified in paragraph (4).

36 ~~(7)~~  
37 (6) Any other information as may be required by the department  
38 for the proper administration and enforcement of this chapter.

39 ~~(8)~~

1 (7) Following the implementation of Article 7 (commencing  
2 with Section 1569.70), evidence satisfactory to the department of  
3 the applicant's ability to meet regulatory requirements for the level  
4 of care the facility intends to provide.

5 ~~(9)~~

6 (8) Evidence satisfactory to the department of adequate  
7 knowledge of supportive services and other community supports  
8 that may be necessary to meet the needs of elderly residents.

9 ~~(10)~~

10 (9) A signed statement that the person desiring issuance of a  
11 license has read and understood the residential care facility for the  
12 elderly statute and regulations.

13 ~~(11)~~

14 (10) Designation by the applicant of the individual who shall  
15 be the administrator of the facility, including, if the applicant is  
16 an individual, whether or not the licensee shall also be the  
17 administrator.

18 ~~(12)~~

19 (11) Each applicant shall disclose to the department evidence  
20 of the right of possession of the facility at the time the application  
21 is granted, which may be satisfied by the submission of a copy of  
22 applicable portions of a lease agreement or deed of trust. The names  
23 and addresses of any persons or organizations listed as owners of  
24 record in the real estate, including the buildings and the grounds  
25 appurtenant to the buildings, shall be disclosed to the department.

26 ~~(13)~~

27 (12) Evidence of successfully completing a certified  
28 prelicensure education program pursuant to Section 1569.23.

29 ~~(14)~~

30 (13) For any facility that promotes or advertises or plans to  
31 promote or advertise special care, special programming, or special  
32 environments for persons with dementia, disclosure to the  
33 department of the special features of the facility in its plan of  
34 operation.

35 (b) All applicant information *disclosed pursuant to paragraph*  
36 *(4) of subdivision (a)* shall be cross checked with the State  
37 Department of Public Health to determine if the applicant has a  
38 prior history of operating, *holding a position in, or having*  
39 *ownership in*, any entity specified in paragraph (4) *of subdivision*  
40 *(a)*.

1 (c) Failure of the applicant to cooperate with the licensing  
2 agency in the completion of the application shall result in the denial  
3 of the application. Failure to cooperate means that the information  
4 described in this section and in the regulations of the department  
5 has not been provided, or has not been provided in the form  
6 requested by the licensing agency, or both.

7 ~~(d) The information required pursuant to this section, other than~~  
8 ~~individuals' social security numbers, shall be made available to~~  
9 ~~the public upon request, and shall be included in the department's~~  
10 ~~public file regarding the facility and in an online inquiry system~~  
11 ~~accessible through the department's Internet Web site.~~

12 *(d) The information required by this section shall be provided*  
13 *to the department upon initial application for licensure, and any*  
14 *change in the information shall be provided to the department*  
15 *within 30 calendar days of that change.*

16 (e) (1) The department ~~may~~ shall deny an application for  
17 licensure ~~or may subsequently revoke a license~~ under this chapter  
18 on the grounds that the applicant knowingly made a false statement  
19 of fact with regard to information that was required by the  
20 application for licensure.

21 *(2) The department may deny an application for licensure or*  
22 *may subsequently revoke a license under this chapter on the*  
23 *grounds that the applicant did not disclose enforcement actions*  
24 *on the application as required by paragraph (5) of subdivision*  
25 *(a).*

26 SEC. 2. ~~Section 1569.355 of the Health and Safety Code is~~  
27 ~~amended to read:~~

28 ~~1569.355. (a) The director shall establish and maintain an~~  
29 ~~automated license information system on licensees and former~~  
30 ~~licensees of licensed residential care facilities for the elderly. The~~  
31 ~~system shall maintain a record of any information that may be~~  
32 ~~pertinent for licensure under this chapter. This information shall~~  
33 ~~include, but is not limited to, the licensees' addresses, telephone~~  
34 ~~numbers, violations of any laws related to the care of clients in a~~  
35 ~~residential care facility for the elderly, licenses, and revocation of~~  
36 ~~any licenses, including any prior health facility licenses and prior~~  
37 ~~licenses for residential care facilities for the elderly.~~

38 ~~(b) The department shall develop and establish a consumer~~  
39 ~~information service system to provide updated and accurate~~  
40 ~~information to the general public and consumers regarding~~

1 residential care facilities for the elderly in their communities. The  
2 department shall make public information from the consumer  
3 information system available in electronic format to individuals  
4 or organizations.

5 (e) By July 1, 2015, the department shall establish an online  
6 inquiry system accessible through an Internet Web site and post  
7 residential care facility for the elderly profiles, with data, including,  
8 but not limited to, all of the following:

9 (1) The name, address, and telephone number of the licensed  
10 providers, including the owner and the licensee.

11 (2) The number of licensed beds in the facility, including the  
12 number of nonambulatory beds.

13 (3) Whether the facility is permitted to provide hospice care  
14 services.

15 (4) Whether the facility has a special care unit or program for  
16 people with Alzheimer's disease and other dementias or has a  
17 delayed egress or secured perimeter system in place.

18 (5) Aggregate information on each facility, including, for each  
19 of the previous five years, the number of complaints filed against  
20 the facility, the number of deficiencies, enforcement actions  
21 resulting in fines against the facility, and the amount of the fines  
22 assessed and the amount collected.

23 (d) By July 1, 2016, the profile for each facility shall include  
24 all of the following:

25 (1) Department actions, including license suspensions,  
26 revocations, probations, settlements, stipulations, accusations,  
27 audits, compliance conferences and compliance plans or other  
28 administrative or legal actions, and when the administrative or  
29 legal action was taken and will be terminated.

30 (2) Any enforcement action resulting in a fine, stating the nature  
31 of the regulatory violation, the amount of the fine, and the amount  
32 collected.

33 (3) A history of inspections and department actions for the last  
34 five years.

35 (e) By July 1, 2017, the profile of each facility shall include all  
36 of the following:

37 (1) Information regarding complaints, including the nature of  
38 the complaint, results of the complaint investigation, actions taken,  
39 and the dates that the complaint was received, investigated, and  
40 closed.

~~(2) Information regarding violations assessed, including the type of deficiency, status of the violation, the facility's plan of correction, when the corrections were completed, information as to whether an appeal has been filed, and whether fines were assessed and the amount collected.~~

~~(3) Posting of the facility inspection reports and plans of correction, including findings of the most recent inspection report and the date that the inspection was conducted.~~

~~(f) Any resolution of an appeal pertaining to a violation or complaint shall be updated in a timely manner.~~

~~(g) By July 1, 2018, the profile shall include all of the following:~~

~~(1) Facility reports of any alleged elder abuse and suspicious death, the date of the report, and whether these reports resulted in an investigation, including the date and results of the investigation.~~

~~(2) Whether the facility or licensee has ever reported any of the events listed in subdivision (a) of Section 1569.686 to the department.~~

~~(3) Ownership information, including, but not limited to, whether the licensee is a for-profit or not-for-profit provider, the names and license numbers of other facilities owned, managed, or operated by the same licensee, and the names and addresses of any persons or organizations listed as owners of record of the real estate, including the buildings and the grounds appurtenant to the buildings. The information required by this paragraph shall be provided to the department upon initial application for licensure, and any change in the information shall be provided to the department within 30 calendar days of that change.~~

~~(4) Information in this subdivision shall be updated on a regular basis but no less frequently than quarterly.~~

~~(h) By July 1, 2019, each licensee of a residential care facility for the elderly shall submit a profile of resident characteristics to the department on an annual basis, including, but not limited to, the number of residents in the facility who are bedridden, nonambulatory, receiving hospice care, have one or more allowable health conditions, have one or more restricted health conditions, or who have dementia. The department shall include this information on the facility profile annually.~~

~~(i) By July 1, 2019, the department shall develop and implement a rating system.~~



1 ~~(j) It is the intent of the Legislature that the department, in~~  
2 ~~developing and establishing the system pursuant this section, shall~~  
3 ~~work with stakeholder groups, including consumer organizations.~~

4 ~~(k) The department shall interface the consumer information~~  
5 ~~service system with its automated license information system on~~  
6 ~~licensees and former licensees of licensed residential care facilities~~  
7 ~~for the elderly.~~

8 ~~(l) In implementing this section, the department shall ensure~~  
9 ~~the confidentiality of personal and identifying information of~~  
10 ~~residents and employees and shall not disclose this information~~  
11 ~~through the consumer information service system developed~~  
12 ~~pursuant to this section.~~

13 *SEC. 2. Section 1569.356 is added to the Health and Safety*  
14 *Code, to read:*

15 *1569.356. (a) By July 1, 2015, the department shall post on*  
16 *its Internet Web site residential care facility for the elderly profiles,*  
17 *with data, including, but not limited to, all of the following:*

18 *(1) The name, address, and telephone number of the licensed*  
19 *providers, including the owner and the licensee, the number of*  
20 *licensed beds in the facility, including the number of*  
21 *nonambulatory beds, whether the facility is permitted to provide*  
22 *hospice care services, whether the facility has a special care unit*  
23 *or program for people with Alzheimer's disease and other*  
24 *dementias and has a delayed egress or secured perimeter system*  
25 *in place, and information required pursuant to Section 1569.15.*

26 *(2) Aggregate information on each facility, including, for each*  
27 *of the previous five years, the number of complaints filed against*  
28 *the facility, the number of deficiencies, enforcement actions*  
29 *resulting in fines against the facility, and the amount of the fines*  
30 *assessed and the amount collected.*

31 *(3) Department actions, including license suspensions,*  
32 *revocations, probations, settlements, stipulations, accusations,*  
33 *audits, noncompliance conference summaries or other*  
34 *administrative or legal actions, and when the administrative or*  
35 *legal action was taken and will be terminated.*

36 *(b) By July 1, 2017, the profile of each facility shall include all*  
37 *of the following:*

38 *(1) Information regarding complaints, including the nature of*  
39 *the complaint, results of the complaint investigation, actions taken,*

1 and the dates that the complaint was received, investigated, and  
2 closed.

3 (2) Information regarding violations assessed, including the  
4 type of deficiency, status of the violation, the facility's plan of  
5 correction, when the corrections were completed, information as  
6 to whether an appeal has been filed, whether fines were assessed  
7 and the amount, collected, and whether a deficiency was dismissed  
8 on appeal.

9 (3) Posting of the facility inspection reports and plans of  
10 correction, including findings of the most recent inspection report  
11 and the date that the inspection was conducted.

12 (c) Any resolution of an appeal pertaining to a violation or  
13 complaint shall be updated in a timely manner.

14 (d) By July 1, 2019, each licensee of a residential care facility  
15 for the elderly shall submit a profile of resident characteristics to  
16 the department on an annual basis, including, but not limited to,  
17 the number of residents in the facility who are bedridden,  
18 nonambulatory, receiving hospice care, have one or more  
19 allowable health conditions, have one or more restricted or  
20 prohibitive health conditions, or have dementia. The department  
21 shall include this information on the facility profile and on the  
22 online consumer information system annually.

23 (e) By July 1, 2019, the department shall develop and implement  
24 a rating system designed to allow consumers to compare residential  
25 care facilities for the elderly.

26 (1) At a minimum, the ratings system shall be updated to reflect  
27 the most recent inspection report, as required by Section 1569.33.

28 (2) The ratings shall be based on a facility's inspection, and  
29 other factors as determined by the department in consultation with  
30 stakeholders.

31 (f) It is the intent of the Legislature that the department, in  
32 developing and establishing the system pursuant this section, shall  
33 work with stakeholder groups, including consumer organizations.

34 (g) In implementing this section, the department shall ensure  
35 the confidentiality of personal and identifying information of  
36 residents and employees and shall not disclose this information  
37 through the consumer information service system developed  
38 pursuant to this section.

39 SEC. 3. Section 1569.501 is added to the Health and Safety  
40 Code, immediately following Section 1569.50, to read:

1     1569.501. (a) *The department may deny an application for*  
2 *licensure under this chapter on the grounds that the applicant has*  
3 *a history of noncompliance with the requirements imposed upon*  
4 *any residential care facility for the elderly license, any facility*  
5 *licensed pursuant to Chapter 1 (commencing with Section 1200),*  
6 *Chapter 2 (commencing with Section 1250), or Chapter 3*  
7 *(commencing with Section 1500), or a similarly licensed facility*  
8 *in another state, applicable state and federal laws and regulations,*  
9 *and the requirements governing the operators of those facilities.*

10     (b) *This section applies to an applicant that is or was an*  
11 *administrator, general partner, corporate officer or director of,*  
12 *or is a person who has held or holds a beneficial ownership of 10*  
13 *percent or more in, any residential care facility for the elderly, in*  
14 *any facility licensed pursuant to Chapter 1 (commencing with*  
15 *Section 1200), Chapter 2 (commencing with Section 1250), or*  
16 *Chapter 3 (commencing with Section 1500), or a similarly licensed*  
17 *facility in another state.*

18     ~~SEC. 3.~~

19     SEC. 4. Section 1569.618 of the Health and Safety Code is  
20 amended to read:

21     1569.618. (a) The administrator designated by the licensee  
22 pursuant to paragraph (11) of subdivision (a) of Section 1569.15  
23 shall be present at the facility during normal working hours. A  
24 facility manager designated by the licensee with notice to the  
25 department, shall be responsible for the operation of the facility  
26 when the administrator is temporarily absent from the facility.

27     (b) "Facility manager" means a person on the premises with  
28 the authority and responsibility necessary to manage and control  
29 the day-to-day operation of a residential care facility for the elderly  
30 and supervise the clients. The facility manager, licensee, and  
31 administrator, or any combination thereof, may be the same person  
32 provided he or she meets all applicable requirements. If the  
33 administrator is also the facility manager for the same facility, he  
34 or she shall be limited to the administration and management of  
35 only one facility.

36     ~~SEC. 4.~~

37     SEC. 5. No reimbursement is required by this act pursuant to  
38 Section 6 of Article XIII B of the California Constitution because  
39 the only costs that may be incurred by a local agency or school  
40 district will be incurred because this act creates a new crime or

1   infraction, eliminates a crime or infraction, or changes the penalty  
2   for a crime or infraction, within the meaning of Section 17556 of  
3   the Government Code, or changes the definition of a crime within  
4   the meaning of Section 6 of Article XIII B of the California  
5   Constitution.

O